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STATE OF MICHIGAN
THE SENATE
FINANCE COMMITTEE
SENATOR NANCY CASSIS
CHAIR

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MINUTES

A meeting of the Senate Committee on Finance was held on Thursday, January 24, 2008, at 11:25 a.m. in the Farnum Building, Room 110.

Committee members present: Cassis (C), Gilbert (Maj. VC), McManus, Jansen, Prusi (Min. VC), and Jacobs
Committee members excused: Whitmer

Senator Cassis gave opening remarks regarding the order of business:

- SB 1038 Sen. Cassis - Business tax; other; technical amendments to definition of gross receipts; provide for.
- SB 1051 Sen. Gilbert - Business tax; other; definition of "commercial domicile" for financial institutions; exclude Puerto Rico.
- SB 1052 Sen. Jansen - Business tax; other; definition of foreign operating entity; exclude Puerto Rico.
- SB 1053 Sen. Richardville - Business tax; other; elect to include certain person in the combined filing of a unity business group; allow.
- SB 1054 Sen. Pappageorge - Business tax; other; definition of business activity and business income; clarify for partnerships and exclude income not related to a trade or business.
- SB 1055 Sen. McManus - Business tax; other; receipts from certain investment and trading activities; exclude from sales apportionment factor.
- SB 1056 Sen. Prusi - Business tax; other; definition of state; exclude Puerto Rico.

Senator Cassis, bill sponsor of SB1038 gave brief statements explaining the bill package addressing unintended consequences of the Michigan Business Tax (MBT) as well as issues brought forward subsequent to the MBT enactment. Senator Cassis then answered questions from committee members.

Tricia Kinley representing the Michigan Chamber of Commerce gave both verbal and written testimony in support of the MBT legislative bill package. Ms. Kinley then answered questions from committee members.

Dave Vehslage representing Verizon gave both verbal and written testimony in support of the concept of SB1038. Mr. Vehslage then answered questions from committee members.

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The following individuals submitted testimony cards in support of the MBT legislative package but did not wish to speak:

Kurt Berryman representing the Auto Dealers of Michigan

Eric Rule representing the Michigan Retailers Association

Angela Madden representing the Michigan Beer and Whine Wholesalers Association

Bill Lobenherz representing the Michigan Soft Drink Association (written testimony submitted also)

Scott Schrager representing the Department of Treasury gave verbal testimony opposed to SB1038.

Scott Schrager representing the Department of Treasury gave verbal testimony neutral to SB1051, 1052, and 1056.

Scott Schrager representing the Department of Treasury gave verbal testimony opposed to SB1053.

Scott Schrager representing the Department of Treasury gave verbal testimony in support of the concept of SB1054.

Scott Schrager representing the Department of Treasury gave verbal testimony in support of the concept of SB1055.

Mr. Schrager then answered questions from committee members.

Senator Cassis adjourned the meeting without objection at 12:13 p.m.

Respectfully submitted,

Committee Clerk

Chairperson

Date approved by the Committee